

Iowa set to receive nearly \$5 billion from stimulus

By Ed Tibbetts | Tuesday, February 17, 2009

Iowa's share of the federal stimulus bill that President Barack Obama signed into law Tuesday will be an estimated \$4.8 billion, according to a progressive think tank.

Illinois will get \$22.7 billion, it said.

The Center for American Progress, based in Washington, D.C., analyzed the \$787 billion measure and came up with figures for all the states.

The new figure includes the value of tax cuts and some spending estimates that weren't included in the numbers provided Monday by Iowa Gov. Chet Culver's office.

His office said \$1.9 billion in funds were included in the stimulus package for Iowa.

Phil Roeder, a spokesman, said the governor's office used an analysis provided to the National Governors Association that studied programs where an existing formula exists.

Tax cuts, grants and other programs are harder to estimate, he said.

The biggest piece of the stimulus package for Iowans, according to the Center for American Progress, is about \$1.2 billion in tax cuts for middle-income people.

The new law calls for a \$400 per person and \$800 per couple tax break.

The president made the tax cut a key part of his campaign.

The Internal Revenue Service says for many taxpayers, the tax break will be reflected in reduced withholding taxes beginning this spring.

For some others, they can claim a credit when they file their 2009 income taxes next year, the IRS said.

Jeff Giertz, a spokesman for U.S. Rep. Bruce Braley, D-

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Iowa, said 1.1 million Iowa families will benefit from the provision.

Tax cuts account for about \$2 billion of Iowa's estimated share of the stimulus, according to the center.

Included in the overall amount are: \$564 million for Medicaid, \$472 million in state aid — mostly for education — \$395 million for highways, bridges and transit, \$275 million for unemployment insurance and \$202 million for Title I schools and special education.

Another \$598 million will keep middle-income Iowans from having to pay the alternative minimum tax, the Center said.

The tax was originally aimed at the wealthy, but wasn't indexed to inflation so it threatens to include others farther down the income scale.

U.S. Sen. Chuck Grassley, R-Iowa, got the provision included in the stimulus measure.

Several other programs make up the rest of Iowa's take.

In Illinois, about \$9 billion is for tax cuts, \$2 billion for state aid, \$3.3 billion for Medicaid, \$1.9 billion for unemployment, \$1.4 billion for infrastructure and another \$1.1 billion for Title I schools and special education, according to the Center.

JOBS BY CONGRESSIONAL DISTRICT

The White House released figures Tuesday showing how many jobs will be created or saved per congressional district as a result of the federal stimulus bill.

The estimates are derived from an analysis of the overall employment impact of the American Recovery and Reinvestment Act conducted by Christina Romer, chairwoman of the Council of Economic Advisers, and Jared Bernstein, chief economist for the vice president, and detailed estimates of the working age population, employment and industrial composition by district.

Here's a look at Quad-City area job creation:

Iowa: 37,000 (total), 7,300 (District 1, U.S. Rep. Bruce Braley)

Illinois: 148,000 (total), 7,000 (District 17, U.S. Rep. Phil Hare)

See the entire document at qctimes.com/multimedia.

FINANCIAL AID COUNSELING PROVISION

The federal stimulus bill signed into law Tuesday includes a provision that offers college financial aid counseling to workers who lose their jobs because of free trade agreements, according to U.S. Rep. Phil Hare's office.

Hare, D-Ill., got the provision included.

Financial aid is based on a family's previous year's income, Hare's office said, but when workers lose their jobs they often don't know they can ask college administrators to use their current year's income when calculating their aid needs.

Hare proposed the provision as part of a trade-related bill in 2007 that passed the House but died later. Most of the legislation was included in the stimulus bill, Hare's office said.